

**Louisiana Board of
Veterinary Medicine**

Baton Rouge, Louisiana

Fiscal Year Ended June 30, 2021

Agreed-Upon Procedures

William D. Mercer, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM D. MERCER, CPA (P.C.)

MEMBERS OF:
AMERICAN INSTITUTE
AND SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Louisiana Board of Veterinary Medicine
and the Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below related to the Louisiana Board of Veterinary Medicine's internal controls and compliance with certain laws and regulations for the fiscal period July 1, 2020 through June 30, 2021. Louisiana Board of Veterinary Medicine's management is responsible for its financial records and establishing internal controls to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds.

The Louisiana Board of Veterinary Medicine has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the controls that the Louisiana Board of Veterinary Medicine uses to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) time-frame in which requests must be submitted and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and inspected. The written policies and procedures did not address the following areas noted above:

- *Purchasing – no policies or procedures were noted*
- *Receipts/collections – no policies or procedures to address management's actions to determine the completeness of all collections for each type of revenue*
- *Contracting – no policies or procedures noted*
- *Credit cards – no policies or procedures noted*
- *Travel and expense reimbursements – policies and procedures did not address dollar thresholds by category of expense, documentation requirements, or time frame in which requests must be submitted*
- *Ethics – no policies or procedures noted*
- *Disaster recovery – no policies or procedures noted*

Annual Fiscal Report (AFR)

2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

Variances meeting the stated criteria, are as follows:

- *Cash and equivalents increased by \$ 240,431 or 201.70%*
- *Other investments decreased by \$ 105,768 or 22.27%*
- *Pension related deferred outflows increased by \$ 11,142 or 11.20%*
- *Pension liability decreased by \$ 104,821 or 19.79%*
- *Net position increased by \$ 188,618 or 181.17%*
- *Administrative expenses decreased by \$ 103,433 or 23.41%*

Board Meetings/Minutes

3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
 - c) Access the entity's online information included in the DOA's boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Board minutes for the period under examination were obtained and inspected. No exceptions were noted.

Bank Reconciliations

4. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date; and
 - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

For the period under examination, the entity had one operating bank account. Bank statements and reconciliations for all months during the fiscal year were obtained. Bank reconciliations are prepared by the Executive Director and subsequently e-mailed, along with the applicable bank statements and general ledger, to the outside accountant and the Board treasurer each month. At June 30, 2020, seven checks totaling \$ 46.25 were outstanding six months or more. The February bank reconciliation did not have a confirmation email from a management/board member that they had reviewed the statement. No other exceptions were noted.

Receipts/Collections

5. Obtain and inspect written policies and procedures relating to employees job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:
 - a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
 - b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Written policies and procedures relating to receipts/collections were obtained. Most of the entity's collections are via electronic payments directly to its bank account. However, some payments are received via mail or in-person collections at the Board office. Two employees are responsible for receiving and processing of such payments. No exceptions were noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The entity does accept cash payments for license applications, renewals, or other payments. Employees who handle cash are covered by an insurance policy for theft/crime per the Office of Risk Management.

7. Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:
 - a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - b) Trace the deposit slip total to the actual deposit per the bank statement.
 - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - d) Trace the actual deposit per the bank statement to the general ledger.

Five dates during the fiscal year were randomly selected using an online random date generator. Next chronological dates of bank deposits not made electronically were selected for dates on which no checks or money orders were deposited. Each deposit selected was traced to a payment collection log, each deposit slip was traced to the applicable bank statement, and each deposit was traced to the general ledger. No exceptions were noted.

8. Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Management regularly compares collections with expected results, consisting primarily of license application and renewals.

9. For licensing boards, obtain a list of initial and renewal licenses granted during the period from management and management's representation that the listing is complete. Randomly select 10 individual applicants from the listing and obtain the supporting documentation (e.g. application, copy of check) from management and:
 - a) Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
 - b) If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

Ten individual license applications and renewals were randomly selected for the period under examination. All applications and renewals were traced to the entity's online license database. No exceptions were noted.

10. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.

Not applicable

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

11. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Most of the entity's non-payroll disbursements as applicable to this procedure are initiated by the Executive Director, or by another staff member and approved by the Executive Director. Payments are processed and signed by the Executive Director.

12. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement
 - b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.

Five non-payroll disbursements as defined above were randomly selected. For each of the five disbursements, an original invoice was obtained and examined. No exceptions were noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

13. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. Randomly select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

For the period under examination, the entity utilized one debit card, which is maintained by the Executive Director. Two monthly statements were randomly selected. For each of the monthly statements examined, review and approval of the charges thereon was indicated by an email from the Board chairperson. No finance charges or late fees were assessed on the selected statements.

14. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

For both of the monthly statements selected, original receipts were attached and business purpose was identified or readily apparent. Meals were purchased for attendees of a class provided by the agency on one of the statements. For this charge, the list of attendees for the class was observed. No exceptions were noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For the period under examination, the agency had only two disbursements as noted. Both disbursements were selected and supporting documentation for each was examined for documentation of business/public purpose and appropriate approval. No exception was noted.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy.
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

For the period under examination, three contracts as defined above were in effect. Each of the contracts were approved by the governing board as required. None of the contracts were amended during the fiscal year. One payment under each contract was randomly selected as noted. No exceptions were noted.

Payroll and Personnel

17. Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5), obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

For the period under examination, the entity had only two employees. Compensation for each was traced to authorized salaries as noted in their personnel files. No exceptions were noted.

18. Randomly select 2 pay periods during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

For each of the two pay periods selected, time sheets were provided for each employee. Time sheets for the staff employee was approved by the Executive Director, and time sheets and payroll checks for the Executive Director were approved by the Board Treasurer. Leave accrued or taken during the pay periods were calculated and tracked by the entity's outside payroll service provider. No exceptions were noted.

19. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

For the period of examination, no employee terminated or resigned.

20. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Obtained management's representation that all applicable payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid and all applicable tax returns have been filed as required.

Ethics

21. Using the 5 randomly selected employees from procedure #17 under “Payroll and Personnel” above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Ethics documentation for all employees was obtained and examined. No exceptions were noted.

22. Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.

For the period under examination, the entity had six Board members. Documentation of required annual ethics training for each Board member was obtained. No exceptions were noted.

Budget

23. Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

The adopted budget was obtained. Budget amendments were made and accepted at the June 3rd, 2021 board meeting and noted in the applicable Board minutes. Adoption and approval of the budget was noted in applicable Board minutes. No exceptions were noted.

24. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

Total revenues and total expenditures of the final budget were compared to total revenues and total expenses on the financial statements. The actual expenditures were \$ 171,755 less than budgeted expenditures, resulting in a variance of 33.39%.

25. Inquire of management whether the entity has updated its budget information in the DOA’s boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity’s board.

Information contained in the entity’s adopted budget was traced to the DOA boards and commissions database for the period under examination. No exception was noted.

Debt Service

26. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No bonds or notes were issued or outstanding for the period under examination.

27. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No bonds or notes were issued or outstanding for the period under examination.

Sexual Harassment

28. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

The entity's written sexual harassment policies and procedures were obtained and examined. No exceptions were noted.

29. Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

For the period under examination, all employees and board members received the required sexual harassment training.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The entity's website was examined, and the sexual harassment policy and complaint procedure was observed.

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

A separate sexual harassment report for the agency was not prepared, but a report for the entire Department of Agriculture and Forestry was provided.

Other

32. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations of public funds or assets were known or noted by management for the period under examination.

33. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.gov/hotline.

The required notice was observed on the entity's premises and its website.

Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Management's responses to the exceptions noted above are included as an attachment to this report.

We were engaged by the Louisiana Board of Veterinary Medicine to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Louisiana Board of Veterinary Medicine's internal controls compliance with laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Louisiana Board of Veterinary Medicine and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Louisiana Legislative Auditor and the Louisiana Board of Veterinary Medicine, and is not intended to be, and should not be, used by anyone other than these specified parties. Under R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

William D Mercer CPA (APAC)

Baton Rouge, Louisiana
January 20, 2022

LOUISIANA BOARD OF VETERINARY MEDICINE

SCHEDULE OF PRIOR YEAR EXCEPTIONS

Exceptions noted for the prior year ended June 30, 2020, in the accountant's agreed-upon procedures report dated October 13, 2020, were as follows:

Written policies and procedures

Written policies and procedures did not address the following areas:

- Monitoring and amending the budget
- Management's actions to determine the completeness of collections for each type of revenue
- Review and approval of time and attendance records
- Contracting
- Credit and debit cards
- Dollar thresholds, documentation requirements, and time for submission of travel and travel-related reimbursements
- Ethics
- Disaster recovery/business continuity

Annual Fiscal Report (AFR)

Variances meeting stated criteria were noted, including cash and equivalents, other investments, pension related deferred outflows, pension liability, OPEB related deferred inflows, and net position.

Bank reconciliation

Bank reconciliations for the fiscal period were obtained and examined. At June 30, 2020, seven checks totaling \$ 864.50 were outstanding six months or more.

Sexual harassment

The required annual sexual harassment report was not prepared or submitted as required.



LOUISIANA BOARD OF VETERINARY MEDICINE

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January 20, 2022

William D. Mercer, CPA
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Baton Rouge, Louisiana

In connection with your engagement to apply agreed-upon procedures to certain control and compliance areas identified in the Louisiana Legislative Auditor's Agreed-Upon Procedures for the fiscal period July 1, 2020 through June 30, 2021, please see our office's responses to those exceptions noted in the report.

Written Policies and Procedures

The exceptions noted on the Written Policies and Procedures were as follows:

1. *Purchasing – no policies or procedures were noted*
2. *Receipts/collections – no policies or procedures to address management's actions to determine the completeness of all collections for each type of revenue*
3. *Contracting – no policies or procedures noted*
4. *Credit cards – no policies or procedures noted*
5. *Travel and expense reimbursements – policies and procedures did not address dollar thresholds by category of expense, documentation requirements, or time frame in which requests must be submitted*
6. *Ethics – no policies or procedures noted*
7. *Disaster recovery – no policies or procedures noted*

Written policies and procedures were obtained and inspected. The written policies and procedures did not address the following areas noted above:

Our Board acknowledges its shortcomings for this audit with respect to the current written policies and procedures for the above-mentioned areas. This is the second audit in which these exceptions were noted. In response, I began my position as Executive Director for the LA Board of Veterinary Medicine in September of 2019. Shortly after moving into the position, I was tasked with relocating our office space as well as moving our office from its outdated paper processing for new license applications and renewals and into a completely new electronic system for managing license applications, renewals, and complaints. All of this was tasked while I was also having to learn the past protocols in place. My Board tasked me with completely revamping the manner in which our office operates with respect to our license application and renewal processes, and as such, these SOPs are still being developed as we fine-tune these processes.



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Additionally, much of the former procedures are vastly outdated and are in need of dramatic improvements. In order to make these updates, I have had to get a thorough understanding of the previous protocols while moving our office into its new office space and electronic licensing system. With this majority of the move complete - both the physical office space and the records management - I am now able to begin the process of completely rewriting our office's SOPs (Standard Operating Procedures) for all office tasks. I understand these areas noted above are of great importance, and I am working towards fully rectifying these exceptions within the next two audit cycles.

Annual Fiscal Report (AFR)

The exceptions noted on the Annual Fiscal Report were as follows:

Variances meeting the stated criteria, and management's explanations for these variances, are as follows:

1. Cash and equivalents increased by \$ 240,431 or 201.70%
2. Other investments decreased by \$ 105,768 or 22.27%
3. Pension related deferred outflows increased by \$ 11,142 or 11.20%
4. Pension liability decreased by \$ 104,821 or 19.79%
5. Net position increased by \$ 188,618 or 181.17%
6. Administrative expenses decreased by \$ 103,433 or 23.41%

The Board's CPA has assisted in addressing each of these variances as follows:

1. Increase in cash due to maturity of CD and increase in net income.
2. Decrease in investments due to maturity of CD at year-end.
3. Pension related changes due to annual Pension valuation and GASB 68 required adjustments.
4. Pension related changes due to annual Pension valuation and GASB 68 required adjustments.
5. Increase in net position agrees to increase net income of FY.
6. Decrease in administrative expenses mainly due to reduction of rent from moving office locations, reduction of salaries due to retirement of former Executive Director, and reduction of retirement expense due to annual OPEB and Pension valuations.

Bank Reconciliations

The exceptions noted on the Bank Reconciliations were as follows:

For the period under examination, the entity had one operating bank account. Bank statements and reconciliations for all months during the fiscal year were obtained. Bank reconciliations are prepared by the Executive Director and subsequently e-mailed, along with the applicable bank statements and general ledger, to the outside accountant and the Board treasurer each month. At June 30, 2020, seven checks totaling \$46.25 were outstanding six months or more. The February bank reconciliation did



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not have a confirmation email from a management/board member that they had reviewed the statement. No other exceptions were noted.

Our procedures are designed to have the Board Treasurer-Secretary review the bank reconciliations each month. It appears there was one month in which confirmation of this review was not obtained (or documentation for this review was not properly saved with the records). However, as noted above, this was for only one month and was certainly an anomaly and is not normal business operations. In FY2022, the Executive Director has already cleared several of the checks which were outstanding as of June 30, 2020, and continues to work on the remaining outstanding checks on the books.

Budget

The exceptions noted on the Budget were as follows:

Total revenues and total expenditures of the final budget were compared to total revenues and total expenses on the financial statements. The actual expenditures were \$171,755 less than budgeted expenditures, resulting in a variance of 33.39%.

Fiscal year budgets are prepared annually, generally in the second quarter of the preceding fiscal year, by the Executive Director and approved by the board. Budget amendments for the current fiscal year are generally made by the Executive Director in the fourth quarter of the fiscal year and proposed to the board for approval. The Executive Director compares the budget for the current fiscal year to actual revenues and expenditures to determine if adjustments are needed. At Fiscal-Year-End for FY2022, the Executive Director will work more closely with the Board's accountant to ensure the amended final FY budget is more in line with the actual revenues and expenditures.

Please feel free to reach out to me if there are any questions about our office's responses to the exceptions.

Regards,

Jared B. Granier, MBA
Executive Director

Joseph B Bondurant Jr DVM (Mar 18, 2022 11:18 CDT)

Joseph Bondurant, Jr.
Board President